

## CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

17 OCT 1975

Mr. James M. Frey  
Assistant Director for Legislative Reference  
Office of Management and Budget  
Washington, D.C. 20503

Dear Mr. Frey:

Attached is the proposed legislative program of the Central Intelligence Agency for the second session of the 94th Congress. This program is submitted in accordance with Office of Management and Budget Circular No. A-19, Revised.

Our primary legislative goal for 1976 is the Director's proposal to establish a criminal penalty for the unauthorized disclosure of Intelligence Sources and Methods. This legislation is currently under review in OMB. In his April 1975 State of the World address, the President spoke of the nation's intelligence services as "a vital element of our national security." The President has repeatedly expressed his concern that the effectiveness of CIA and other intelligence agencies is being eroded. In view of the importance to the nation's foreign intelligence capability of the Director's proposal to protect Intelligence Sources and Methods, it is recommended for inclusion in the President's 1976 legislative program.

CIA is also seeking amendments to its retirement program--the Central Intelligence Agency Retirement and Disability System. This proposal was submitted to OMB in April of this year. The most recent amendments to this system were in 1973, and amendments are now required to bring this retirement system in line with the Civil Service and Foreign Service officer retirement programs. We expect that these amendments will be approved by OMB shortly for transmission to the Congress, and that Congressional consideration will extend into 1976.



These are the only two proposals which have been developed at this time. However, as you know, the current congressional inquiries may precipitate the preparation of other proposals. I suggest that you contact Mr. John O. Marsh, Counsellor to the President, concerning this eventuality. No laws or provisions of law affecting CIA will expire in 1976.

Sincerely,

SIGNED

George L. Cary  
Legislative Counsel

Enclosure

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CENTRAL INTELLIGENCE AGENCY  
PROPOSED LEGISLATIVE PROGRAM FOR THE  
SECOND SESSION OF THE 94TH CONGRESS

PART I--PRESIDENT'S PROGRAM PROPOSALS

94-1. "Intelligence Sources and Methods" - Establish Criminal Penalty For Unauthorized Disclosure: The continued effectiveness of the United States foreign intelligence collection effort is dependent upon the adequate protection of the intelligence sources and methods involved. In recognition of this, Congress, in Section 102(d)(3) of the National Security Act of 1947, made the Director of Central Intelligence responsible for the protection of Intelligence Sources and Methods from unauthorized disclosure. Unfortunately, there is currently no statutory authority to implement this responsibility. This legislation remedies this deficiency. In recent times, serious damage to our foreign intelligence effort has resulted from unauthorized disclosures of information related to intelligence sources and methods. The circumstances of these disclosures precluded punitive criminal action.

In most cases existing law is ineffective in preventing disclosures of information relating to Intelligence Sources and Methods. Except in cases involving communications intelligence, no criminal action lies unless the information is furnished to a representative of a foreign power or the disclosure is made with intent to harm the United States or aid a foreign power. Except in the case of knowingly furnishing classified information to either a foreign government or a foreign agent, prosecution requires proof, to the satisfaction of the jury, that the information affects the national defense within the meaning of the statute. This can only be established by further public disclosure in open court which may aggravate the damage to the security and intelligence interests of the United States and raises an additional obstacle to prosecution. The difficulties imposed by these burdens substantially reduce the effectiveness of the general criminal statutes as a deterrent to unauthorized disclosure of sensitive Intelligence Sources and Methods information.

The proposed legislation amends Section 102 of the National Security Act of 1947 by adding a new subsection (g) defining "information relating to intelligence sources and methods" as a separate category of information to be accorded statutory recognition and protection similar to that provided "Restricted Data" under the Atomic Energy Act. The proposed law recognizes the authority of the Director of Central Intelligence and the heads of other agencies expressly authorized by law or by the President to engage in intelligence activities for the United States, to limit the dissemination of information related to Intelligence Sources and Methods of collection. It provides for a criminal penalty for the disclosure of such information to unauthorized persons and for injunctive relief. The provision is specifically limited to those Federal employees, former employees, or others having a privity of relationship with the information disclosed. It does not apply to outside third parties, such as the press to whom the unauthorized disclosure is made.

Enactment of this proposal will not result in significant additional costs to the Federal Government. If the proposal is successful in deterring unauthorized disclosures, it would result in substantial savings to the Government, by preserving existing, often very expensive, intelligence collection systems.

## PART II--ALL OTHER PROPOSALS

### 94-2. Amendments to the Central Intelligence Agency Retirement and Disability System

The proposed bill updates the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended. Title I of the bill would alter the present arrangement for financing the system, and adopt the financing method utilized in the Civil Service and Foreign Service Retirement Systems. Title II would make several changes in benefits available, and the eligibility criteria for these benefits, and proposes a new procedure whereby comparability of CIARDS and the Civil Service Retirement System can be maintained.

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET  
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WASHINGTON, D.C. 20503

OLC 75 2673

OMB

October 16, 1975

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer

Department of Justice  
Central Intelligence Agency  
Department of Defense  
Department of the Treasury  
National Security Council  
Civil Service Commission

SUBJECT: S. 189, a bill, "Relating to the necessity of re-organizing certain departments and agencies of the executive branch, and for other purposes."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than c.o.b. Friday, November 14, 1975

Questions should be referred to Robert E. Carlstrom (395-3890) or to ----- the legislative analyst in this office.

*James M. Frey*  
James M. Frey  
Assistant Director for  
Legislative Reference

Enclosures

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LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer

Department of Justice  
Central Intelligence Agency  
Department of Defense  
Department of the Treasury  
National Security Council  
Civil Service Commission

SUBJECT: S. 317, a bill, "To establish a Joint Committee on Intelligence Oversight."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than c.o.b. Friday, November 14, 1975

Questions should be referred to Robert E. Carlstrom (395-3890) or to ----- the legislative analyst in this office.

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